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Recommendation Summary

Budget Period: 2005-07

Version: 31 - 05-07 Agency Req 2007 Sup wCB RPT

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 050 - Long Term Care Services					
M1 - Mandatory Caseload and Enrollment Changes					
93 Mandatory Caseload Adjustments	0	0.0	6,153	1,774	7,927
SubTotal M1		0.0	6,153	1,774	7,927
Cumulative Total Thru M1		0.0	6,153	1,774	7,927
M2 - Inflation and Other Rate Changes					
8M Mileage Rate Adjustments	0	0.0	65	59	124
8P Postage Rate Adjustments	0	0.0	11	12	23
9F Federal Funding Adjustment	0	0.0	0	217	217
9T Transfers	0	(0.4)	(402)	(12)	(414)
ED Forecast Cost/Utilization	0	0.0	(11,415)	(12,055)	(23,470)
PK Network Transition Costs	0	0.0	28	27	55
VN Office Reloc One-Time Costs	0	0.0	3	3	6
VT OB-2 Rehabilitation	0	0.0	19	16	35
W Background Check-WSP WATCH Fees	0	0.3	87	86	173
WX PNA Increase For MN In-Home Waiver	0	0.0	99	0	99
WY Spokane HCS Relocation	0	0.0	110	109	219
WZ Capital Add-On Rate Fndg Correction	0	0.0	90	89	179
SubTotal M2		(0.1)	(11,305)	(11,449)	(22,754)
Cumulative Total Thru M2		(0.1)	(5,152)	(9,675)	(14,827)
Total Proposed Budget for Program		(0.1)	(5,152)	(9,675)	(14,827)
050 - Long Term Care Services					

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for a biennial total of \$7,927,000 (\$6,153,000 General Fund-State). This decision package reflects the costs and savings associated with caseload changes in the June 2006 Long-Term Care (LTC) forecast produced by the Caseload Forecast Council (CFC). These caseloads are the basis for the June 2006 LTC forecast produced by the Department of Social and Health Services (DSHS) Budget Office.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	6,153,000	6,153,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	1,774,000	1,774,000
Total Cost	0	7,927,000	7,927,000

Staffing

Package Description:

This decision package reflects the costs and savings associated with changes in the number of clients who are expected to utilize the major services provided by Washington State's (LTC) programs. It is based on the June 2006 CFC caseload forecasts for Nursing Homes and Home and Community Services programs.

	Fiscal Year 2007
Nursing Facilities	11,667
Adult Day Health	1,754
Private Duty Nursing	68
In-Home	27,560
Adult Family Homes	3,935
Adult Residential Center	1,876
Assisted Living	4,663
Managed Care	323

Also included are caseload changes for Adult Day Health and Private Duty Nursing using forecasts developed by the DSHS Budget Office.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Caseload changes reflect the administration's goals to "Provide Public Value" by strengthening LTC information and assistance efforts; "Address Client and Family Needs" by facilitating upgrades to community-residential care models to enhance quality and accountability; and strengthening the home care program, including strategies to improve the LTC home care workforce. Caseload changes also reflect the administration's goal of "Budget Performance and Economic Value" by managing access to Medicaid long-term care benefits and reducing unnecessary nursing facility capacity and Medicaid nursing facility caseload.

The forecasted caseload changes indicate a decrease in nursing home beds. This and other forecast driven caseload changes reflect the agency balanced scorecard goals of ensuring a safety net is in place for people in need, clients maintain maximum

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

independence, services are of high quality, people participate in choices about their services, and clients experience stability.

The Governor's goals to achieve high performance government, improve quality and customer service, and to increase the safety and security of Washington State residents are also supported.

Performance Measure Detail

Agency Level

Reason for change:

The expenditures presented in this decision package reflect the most current caseload forecasts for Long-Term Care programs.

Impact on clients and services:

This step reflects the costs associated with providing services to the number of clients eligible under current law for LTC programs.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

No revisions are needed if funding is approved.

Alternatives explored by agency:

Alternatives have been explored in the past and the caseload driven forecast method has been determined as the most appropriate for providing the balance of service and funding requirements.

Budget impacts in future biennia:

Future biennia budget impacts will be driven by caseload trends. Caseload levels experienced in Fiscal Year 2007 can be expected to carry forward into future biennia.

Distinction between one-time and ongoing costs:

Costs in this package are ongoing.

Effects of non-funding:

Changes in eligibility would be required if funding is not available for the increased caseload census.

These changes would mean that clients currently receiving services, and those who might need services in the future may not have access to those services.

Expenditure Calculations and Assumptions:

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

See attachment - LTC M1-93 Mandatory Caseload Adjustment.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	7,927,000	7,927,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	6,153,000	6,153,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>6,153,000</u>	<u>6,153,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	1,774,000	1,774,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>1,774,000</u>	<u>1,774,000</u>
Total Overall Funding	<u>0</u>	<u>7,927,000</u>	<u>7,927,000</u>

2007 Supplemental
M1-93 Mandatory Caseload Adjustments

	Caseload	Expenditures		Per Capitas		Caseload	Expenditures Due to Caseload		Total Change		
		Total	State	Total	State		Total	State			
Change in:											
FY07 - 2006 Supplemental											
X01 Nursing Facilities	11,400	529,883,000	265,742,000	3,873.41	1,942.56						
X40 Adult Day Health	1,754	13,556,000	7,113,000	644.05	337.94						
X43 NF Discharge		578,000	578,000	100.00%							
X48 Private Duty Nursr	68	10,493,000	5,236,000	49.90%							
X49 Recoveries	-	(21,495,000)	(11,000,000)	51.17%	6,416.67						
X61 In-Home	27,789	431,906,000	215,549,272	49.91%							
X62 Adult Family Home	4,065	63,776,000	32,177,004	50.45%	646.39						
X63 Adult Residential (1,865	25,478,000	12,820,000	50.32%	1,307.42						
X64 Assisted Living	4,704	65,313,000	33,110,000	50.89%	1,138.43						
X65 PACE	269	7,702,000	3,851,000	50.00%	1,157.05						
J86 Agency Insurance		27,985,000	13,994,728	50.01%	2,386.00						
	51,914	1,155,175,000	579,171,004	50.14%	1,854.31						
	50,092				929.70						
FY07 - July 2006											
X01 Nursing Facilities	11,667	537,636,970	269,859,468	50.19%	3,840.15	267	12,410,000	6,224,000	6,186,000	7,754,000	4,117,000
X40 Adult Day Health	1,754	13,556,000	7,113,000	52.47%	644.05	-	-	-	-	-	-
X43 NF Discharge		578,000	578,000	100.00%		-	-	-	-	-	-
X48 Private Duty Nursr	68	10,493,000	5,236,000	49.90%		-	-	-	-	-	-
X49 Recoveries	-	(21,495,000)	(11,000,000)	51.17%	12,859.07	-	-	-	-	-	-
X61 In-Home	27,560	410,700,762	204,980,582	49.91%		(229)	(3,559,000)	(1,776,000)	(1,783,000)	(21,205,000)	(10,569,000)
X62 Adult Family Home	3,935	61,800,680	31,169,422	50.44%	619.80	(130)	(2,040,000)	(1,029,000)	(1,011,000)	(1,975,000)	(967,000)
X63 Adult Residential (1,876	26,624,484	13,453,967	50.53%	1,308.78	11	150,000	76,000	74,000	1,146,000	634,000
X64 Assisted Living	4,663	64,460,370	32,698,609	50.73%	1,182.68	(41)	(569,000)	(289,000)	(280,000)	(853,000)	(411,000)
X65 PACE	323	7,303,441	3,651,722	50.00%	1,151.98	54	1,546,000	773,000	773,000	(399,000)	(199,000)
J86 Agency Insurance		27,973,668	16,169,070	57.80%	1,884.27	-	(11,000)	2,174,000	(2,185,000)	(11,000)	2,174,000
	51,846	1,139,632,375	573,909,840	50.36%	1,831.76		7,927,000	6,153,000	1,774,000	(15,543,000)	(5,262,000)
	50,024				922.46						

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile.

Fiscal Detail:

Operating Expenditures

FY 1

FY 2

Total

Overall Funding

001-1 General Fund - Basic Account-State

0

65,000

65,000

001-C General Fund - Basic Account-DSHS Medicaid Federa

0

59,000

59,000

Total Cost

0

124,000

124,000

Staffing

Package Description:

DSHS requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile. Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state business (Social Worker duties, regional meetings, conferences, etc). DSHS is currently funded at the rate of \$.375 per mile set in the 2003-05 Biennium. DSHS is requesting the difference between the funded level of \$.375 per mile and the reimbursable level of \$.445 per mile. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request meets the agency goal of developing services that meet geographic, cultural, tribal and individual needs.

Performance Measure Detail

Agency Level

Reason for change:

DSHS is not funded at the current allowable mileage reimbursement rate of \$.445 per mile.

Impact on clients and services:

Travel is a critical part of duties that are required of the department. Funding this request will allow DSHS to maintain current levels of service.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

None

Budget impacts in future biennia:

These costs will carry forward into future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

DSHS will not be able to absorb this cost increase without an offsetting reduction in program areas that are not fixed costs.

Expenditure Calculations and Assumptions:

Please see attachment AW M2-8M Mileage Rate Adjustments.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
G Travel	0	124,000	124,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	65,000	65,000
Total for Fund 001-1	0	65,000	65,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	59,000	59,000
Total for Fund 001-C	0	59,000	59,000
Total Overall Funding	0	124,000	124,000

**2007 Supplemental Request
ML-8M Mileage Rate Adjustment**

Rounded =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		304,000	304,000							304,000	304,000
020		3,000	3,000							3,000	3,000
030		24,000	24,000							24,000	24,000
040		76,000	76,000							76,000	76,000
050		124,000	124,000							124,000	124,000
060		91,000	91,000							91,000	91,000
070		11,000	11,000							11,000	11,000
080		9,000	9,000							9,000	9,000
100		10,000	10,000							10,000	10,000
110		34,000	34,000							34,000	34,000
150		0	0							0	0
Total	0	686,000	686,000		0	0	0		0	686,000	686,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		213,000	213,000			91,000	91,000			304,000	304,000
020		3,000	3,000			0	0			3,000	3,000
030		20,000	20,000			4,000	4,000			24,000	24,000
040		46,000	46,000			30,000	30,000			76,000	76,000
050		65,000	65,000			59,000	59,000			124,000	124,000
060		43,000	43,000			48,000	48,000			91,000	91,000
070		5,000	5,000			6,000	6,000			11,000	11,000
080		2,000	2,000			7,000	7,000			9,000	9,000
100		10,000	10,000			0	0			10,000	10,000
110		22,000	22,000			12,000	12,000			34,000	34,000
150		0	0			0	0			0	0
Total	0	429,000	429,000		0	257,000	257,000		0	686,000	686,000

2007 Supplemental Request M2-8M Mileage Rate Adjustment

Program	SFY 2006 Actuals	Estimated Allotment SFY 2007	Projection	SFY 2007 Request
010 - Children's Administration	1,922,558	1,625,558	1,930,000	304,000
020 - Juvenile Rehabilitation Admin	17,279	14,279	17,000	3,000
030 - Mental Health	132,936	129,936	154,000	24,000
040 - Div of Developmental Disabilities	487,598	406,598	483,000	76,000
050 - Long Term Care Services	868,929	663,929	788,000	124,000
060 - Economic Services Admin	578,568	487,568	579,000	91,000
070 - Div of Alc/Substance Abuse	72,346	56,346	67,000	11,000
080 - Medical Assistance	49,824	49,824	59,000	9,000
100 - Vocational Rehabilitation	61,959	51,959	62,000	10,000
110 - Admin & Supporting Svcs	213,424	180,424	214,000	34,000
150 - Info SYS Svcs Div	3,697	3,697	4,000	0
	4,409,119	3,670,119	4,357,000	686,000

Increase from .375 to .445
18.7%

DSHS Budget Office
Dan Winkley

AW M2-8M Mileage Rate Adjustment.xls
10/11/2006 3:00 PM

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

Postage rates have increased by 5.4 percent due to a United States Postal Services (USPS) rate increase for first-class mail. The Department of Social and Health Services (DSHS) is requesting \$466,000 for Fiscal Year 2007 for the increase in first-class postage from \$.37 to \$.39.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	11,000	11,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	12,000	12,000
Total Cost	0	23,000	23,000

Staffing

Package Description:

Effective January 8, 2006 the USPS increased the rate for first-class mail to \$.39 from the former rate of \$.37. This request is for \$466,000 to fund a 5.4 percent increase in first-class postage rate.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Contributes to the agency goal reinforce strong management to increase public trust.

Performance Measure Detail

Agency Level

Reason for change:

This request is in response to the USPS first-class postage rate increase that went into effect January 8, 2006.

Impact on clients and services:

Communication between clients and programs is a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by the postage rate increase are payments to clients and notices to clients required by law.

Impact on other state programs:

All state programs are impacted by a USPS increase.

Relationship to capital budget:

Not applicable

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

The USPS mail service is considered accessible to all clients and is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

Budget impacts in future biennia:

This is an increase that will carry forward into future biennia. The USPS is considering an additional rate increase in 2007 to \$.42.

Distinction between one-time and ongoing costs:

This item is an ongoing operational cost. There are no one-time cost associated with this request.

Effects of non-funding:

Non-funding may have negative results to the agency's ability to communicate with clients and remain responsive to constituent needs. If not approved, funds will have to be diverted from programs or services to cover the increased costs.

Expenditure Calculations and Assumptions:

Actual Object EB cost for Fiscal Year 2005 are used as the base for calculating the Fiscal Year 2007 increase.

See attachment AW M2-8P Postage Rate Adjustment

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	23,000	23,000
DSHS Source Code Detail			
Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	11,000	11,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>11,000</u>	<u>11,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	0	12,000	12,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>12,000</u>	<u>12,000</u>
Total Overall Funding	<u>0</u>	<u>23,000</u>	<u>23,000</u>

**2007 Supplemental Budget Request
M2-8P Postage Rate Adjustment**

**Department of Social & Health Services
2007 Supplemental Agency Request - 8P Postage Rate Adjustment**

Rounded =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		29,000	29,000				0		29,000		29,000
020		2,000	2,000				0		2,000		2,000
030		1,000	1,000				0		1,000		1,000
030 SCC		1,000	1,000				0		1,000		1,000
040		11,000	11,000				0		11,000		11,000
050		23,000	23,000				0		23,000		23,000
060		340,000	340,000				0		340,000		340,000
070		4,000	4,000				0		4,000		4,000
080		37,000	37,000				0		37,000		37,000
100		5,000	5,000				0		5,000		5,000
110		13,000	13,000				0		13,000		13,000
150		0	0				0		0		0
Total	0	466,000	466,000		0	0	0		0	466,000	466,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		14,000	14,000			15,000	15,000		29,000		29,000
020		2,000	2,000			0	0		2,000		2,000
030		1,000	1,000			0	0		1,000		1,000
030 SCC		1,000	1,000			0	0		1,000		1,000
040		5,000	5,000			6,000	6,000		11,000		11,000
050		11,000	11,000			12,000	12,000		23,000		23,000
060		194,000	194,000			146,000	146,000		340,000		340,000
070		2,000	2,000			2,000	2,000		4,000		4,000
080		20,000	20,000			17,000	17,000		37,000		37,000
100		5,000	5,000			0	0		5,000		5,000
110		9,000	9,000			4,000	4,000		13,000		13,000
150		0	0			0	0		0		0
Total	264,000	264,000	264,000		0	202,000	202,000		0	466,000	466,000

Department of Social and Health Services

DP Code/Title: M2-9F Federal Funding Adjustment

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests an adjustment/redistribution to the current Federal Appropriation authority for the agency by program for State Fiscal Year 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	217,000	217,000
Total Cost	0	217,000	217,000

Staffing

Package Description:

DSHS requests an adjustment/redistribution to the current Federal Authority across various programs for SFY 2007.

Across the Department there is considerable disparity between the amount of federal funding that particular programs can earn and the amount of federal funds appropriated. This request is to reduce this disparity. The result would be a significant (\$19,981,000) reduction to Economic Services Administration's federal appropriation and smaller increases to the federal appropriations in the following programs - Children's Administration, Juvenile Rehabilitation Administration, Mental Health Division, Division of Developmental Disabilities, Division of Long Term Care, Division of Alcohol and Substance Abuse, and Payments to Other Agencies.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This proposal supports the following DSHS Strategic Goal and Objective:

Strategic Goal: Reinforce Strong Management to Increase Public Trust

Strategic Objective: Improve financial planning and oversight.

Performance Measure Detail

Agency Level

Reason for change:

This change is requested to better align federal appropriation authority for DSHS Programs with the ability of those Programs to earn federal funds.

Impact on clients and services:

There will be no impact on clients or services provided by DSHS.

Impact on other state programs:

None

State of Washington
Decision Package
Department of Social and Health Services

FINAL

DP Code/Title: M2-9F Federal Funding Adjustment
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

There is no impact in future biennia.

Distinction between one-time and ongoing costs:

Not Applicable.

Effects of non-funding:

If a program overspends its SFY 2007 Federal Appropriation, those expenditures need to be moved to General-Fund State.

Expenditure Calculations and Assumptions:

Please see attached AW M2-9F Federal Funding Adjustment.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	217,000	217,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	217,000	217,000
Total for Fund 001-C	0	217,000	217,000
Total Overall Funding	0	217,000	217,000

2007 Supplemental Budget Request
AW M2-9F Federal Funding Adjustment.xls

RPT DATE	PRGM	FUND	APPN	TYPE	TYPE TITLE	BALANCE	PRGM TITLE	APPN TITLE
GENERAL FUND FEDERAL								
9/19/2006	20:18	010	001	TA1	2	Federal	Children's Administration	Children & Family Svs: Gf-Federal-Fy1
9/19/2006	20:18	020	001	TX1	2	Federal	Juvenile Rehabilitation Administration	Jr Community Services: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UB1	2	Federal	Mental Health Division	MH Institutional: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UF1	2	Federal	Mental Health Division	MH Program Support: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UM1	2	Federal	Division of Developmental Disabilities	DD Community: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UN1	2	Federal	Division of Developmental Disabilities	DD-Institutional:Gf-Federal-Fy1
9/19/2006	20:18	040	001	UP1	2	Federal	Division of Developmental Disabilities	DD-Program Support: Gf-Federal-Fy1
9/19/2006	20:18	050	001	VA1	2	Federal	Division of Long-Term Care	Aging Adult Svs: Gf-Federal-Fy1
9/19/2006	20:18	070	001	WA1	2	Federal	Division of Alcohol and Substance Abuse	Alcohol/Substance Abuse:Gf-Fed-Fy1
9/19/2006	20:18	145	001	YM1	2	Federal	Payments to Other Agencies	Payments to Other Agencies:Gf-Fed-Fy1
							(3,150,187.99)	
							(850,719.17)	
							(597,878.81)	
							(600,543.75)	
							(3,984,419.68)	
							(4,476,231.87)	
							(472,434.04)	
							(216,562.28)	
							(3,697,069.25)	
							(1,935,420.98)	
010			001	TA2	2		Children's Administration	
020			001	TX2	2		Juvenile Rehabilitation Administration	
030			001	UB2	2		Mental Health Division	
030			001	UF2	2		Mental Health Division	
040			001	UM2	2		Division of Developmental Disabilities	
040			001	UN2	2		Division of Developmental Disabilities	
040			001	UP2	2		Division of Developmental Disabilities	
050			001	VA2	2		Division of Long-Term Care	
070			001	WA2	2		Division of Alcohol and Substance Abuse	
145			001	YM2	2		Payments to Other Agencies	
							(3,150,000)	
							(851,000)	
							(598,000)	
							(601,000)	
							(3,984,000)	
							(4,476,000)	
							(472,000)	
							(217,000)	
							(3,697,000)	
							(1,935,000)	
							(19,981,000)	
							Subtotal	
060			001	FN2			Adjustment	
							19,981,000	
							- Balance	

DSHS Budget Office
Dan Winkley

AW M2-9F Federal Funding Adjustment.xls
10/12/2006 2:14 PM

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is requesting transfers between programs that net to zero for the agency in Fiscal Year (FY) 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(402,000)	(402,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(14,000)	(14,000)
489-1 Pension Funding Stabilization Acct-State	0	2,000	2,000
Total Cost	0	(414,000)	(414,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	(0.7)	(0.4)

Package Description:

DSHS is requesting internal transfers among several program budgets resulting in a net zero funding change for the department. In order to align program appropriations with planned expenditures in FY2007, adjustments are required in the following areas:

DSHS management has redistributed a reduction of 5.4 FTEs and \$298,000 in FY2007 due to the Middle Management Reduction for Mental Health Division (MHD) headquarters to other DSHS programs. This action is in response to new MHD mandates to develop more efficient and effective methods for serving persons with mental illness that have increased oversight and accountability demands on MHD headquarters staff.

DSHS management has redistributed (\$5,701,000) of the SmartBuy reduction in FY2007 from the Administrative & Supporting Services program to Children's Administration (CA), Juvenile Rehabilitation Administration (JRA), MHD, Division of Developmental Disabilities (DDD), Long Term Care (LTC), Economic Services Administration (ESA), Division of Alcohol and Substance Abuse (DASA), Medical Assistance Administration (MAA), Division of Vocation Rehabilitation (DVR), and Information Systems Services Division (ISSD) to align funding reductions across the agency.

DDD is transferring \$1,300,000 GF-S in FY2007 to ESA to support the ability of the Department in meeting the Social Security Income State Supplemental Payment (SSI/SSP) Maintenance of Effort (MOE). DDD has reached the eligible capacity of expenditures within the program. This transfer reflects the unused allotment within DDD provided in the 2005-07 Biennium, and supports the department requirement to meet an MOE level of spending each calendar year to ensure continued Medicaid funding.

DSHS management has redistributed \$68,000 of the ISSD Pension Plan 1 dollars in FY2007 from the Administrative & Supporting Services program to CA, JRA, MHD, DDD, LTC, ESA, MAA, and DVR to align funding across the agency.

Transfer of the Central Services funding of \$2,171,000 in FY2007 from the Administrative and Support Services program to Payments to Other Agencies.

Administration and Support Services is requesting an internal program transfer to reorganize the central risk management functions under the newly created Chief Risk Officer. This transfer is 2.0 FTEs and \$125,000 per year between budget units in Program 110.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the ability of state government to achieve results efficiently and effectively.

Performance Measure Detail

Agency Level

Reason for change:

Changes to FY2007 will align budgets with planned expenditures.

Impact on clients and services:

None

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

All costs are ongoing.

Distinction between one-time and ongoing costs:

No one-time costs.

Effects of non-funding:

DSHS will continue to spend differently than appropriated in the affected programs.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-9T Transfers.xls'.

State of Washington
Decision Package
Department of Social and Health Services

FINAL

DP Code/Title: M2-9T Transfers
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	(39,000)	(39,000)
E Goods And Services	0	(210,000)	(210,000)
J Capital Outlays	0	(144,000)	(144,000)
T Intra-Agency Reimbursements	0	(21,000)	(21,000)
Total Objects	0	(414,000)	(414,000)

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	(402,000)	(402,000)
<i>Total for Fund 001-1</i>	0	(402,000)	(402,000)
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	0	(14,000)	(14,000)
<i>Total for Fund 001-C</i>	0	(14,000)	(14,000)
Fund 489-1, Pension Funding Stabilization Acct-State			
<u>Sources</u> <u>Title</u>			
4891 Pension Funding Stabilization Acct	0	2,000	2,000
<i>Total for Fund 489-1</i>	0	2,000	2,000
Total Overall Funding	0	(414,000)	(414,000)

**2007 Supplemental
M2-9T Transfers**

AW M2-9T Transfers

	Program	FTEs FY07	FY2007 FUNDS			
			State	489-1	Other	Total
010	Middle Management Reduction from MHD	(0.6)	(19,000)		(14,000)	(33,000)
	SmartBuy		(755,000)			(755,000)
	ISSD Pension Rate Redistribution			12,000	2,000	14,000
	010 Total	(0.6)	(774,000)	12,000	(12,000)	(774,000)
020	Middle Management Reduction from MHD	(0.3)	(10,000)		(7,000)	(17,000)
	SmartBuy		(467,000)			(467,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	020 Total	(0.3)	(477,000)	2,000	(7,000)	(482,000)
030	Middle Management Reduction from MHD	5.4	176,000		122,000	298,000
	SmartBuy		(1,037,000)			(1,037,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	030 Total	5.4	(861,000)	2,000	122,000	(737,000)
040	Middle Management Reduction from MHD	(0.5)	(17,000)		(11,000)	(28,000)
	SSP MOE Transfer		(1,300,000)			(1,300,000)
	SmartBuy		(1,046,000)			(1,046,000)
	ISSD Pension Rate Redistribution			2,000	1,000	3,000
	040 Total	(0.5)	(2,363,000)	2,000	(10,000)	(2,371,000)
050	Middle Management Reduction from MHD	(0.7)	(23,000)		(16,000)	(39,000)
	SmartBuy		(379,000)			(379,000)
	ISSD Pension Rate Redistribution			2,000	2,000	4,000
	050 Total	(0.7)	(402,000)	2,000	(14,000)	(414,000)
060	Middle Management Reduction from MHD	(1.0)	(31,000)		(21,000)	(52,000)
	SSP MOE Transfer		1,300,000			1,300,000
	SmartBuy		(1,519,000)			(1,519,000)
	ISSD Pension Rate Redistribution			31,000	9,000	40,000
	060 Total	(1.0)	(250,000)	31,000	(12,000)	(231,000)
070	Middle Management Reduction from MHD	(0.2)	(6,000)		(5,000)	(11,000)
	SmartBuy		(49,000)	0		(49,000)
	070 Total	(0.2)	(55,000)	0	(5,000)	(60,000)
080	Middle Management Reduction from MHD	(1.0)	(36,000)		(25,000)	(61,000)
	SmartBuy		(370,000)			(370,000)
	ISSD Pension Rate Redistribution			1,000	0	1,000
	080 Total	(1.0)	(406,000)	1,000	(25,000)	(430,000)
100	Middle Management Reduction from MHD	(0.1)	(4,000)		(2,000)	(6,000)
	SmartBuy		(79,000)			(79,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	100 Total	(0.1)	(83,000)	2,000	(2,000)	(83,000)
110	Middle Management Reduction from MHD	(1.0)	(30,000)		(21,000)	(51,000)
	Central Services Transfer		(1,498,000)		(673,000)	(2,171,000)
	SmartBuy		5,701,000			5,701,000
	ISSD Pension Rate Redistribution			(54,000)	(14,000)	(68,000)
	110 Total	(1.0)	4,173,000	(54,000)	(708,000)	3,411,000
145	Central Services Transfer	0.0	1,498,000		673,000	2,171,000
	145 Total	0.0	1,498,000	0	673,000	2,171,000
150	SmartBuy	0.0	0	0	0	0
	150 Total	0.0	0	0	0	0
Agency-Wide:						
		(0.0)	0	0	0	0
			0	0	0	0

There are multiple components to ML-9T Transfers:

Middle Management Reduction Redistribution of MHD Category 9000 (010, 020, 030, 040, 050, 060, 070, 080, 100, 110)

SSP MOE Transfer (040, 060)

SmartBuy (110 to 010, 020, 030, 040, 050, 060, 070, 080, 100, 150)

Central Services (110 to 145)

ISSD Pension Rate Plan 1 Redistribution (110 to 010, 020, 030, 040, 050, 060, 080, 100)

Department of Social and Health Services

DP Code/Title: M2-ED Forecast Cost/Utilization
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This item reflects the costs and savings associated with cost and utilization changes in the June 2006 forecast from the Department of Social and Health Services (DSHS) Budget Office. This forecast is based on the Caseload Forecast Council June 2006 Forecast.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(11,415,000)	(11,415,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(12,055,000)	(12,055,000)
Total Cost	0	(23,470,000)	(23,470,000)

Staffing

Package Description:

This decision package reflects the costs and savings associated with changes in forecasted service costs and utilization. The DSHS Budget Office develops revised per capita cost estimates for Home and Community Based services and expenditure estimates for such things as Nursing Facility Discharge Payments and Estate Recoveries. These anticipated preliminary cost changes are reflected in the decision package.

These cost estimates include allowances for in home worker wage increases and known rate changes for Nursing Homes and community residential programs. Required program changes such as a revision to the bed retainer policy and per capita impacts of the limitation of the Community Options Program Entry Services (COPES) waiver enrollment, the change in Medicaid Personal Care level of standards, and the change in spousal asset limits are also reflected. Changes in utilization and client mix are also captured through changes in trends.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Funding the cost of providing current services through recognition of utilization and cost changes supports the administration's goals to "Provide Public Value" by strengthening Long Term Care (LTC) Information and Assistance Efforts; "Address Client and Family Needs" by facilitating upgrade to community residential care models to enhance quality and accountability; and "Strengthening the Home Care Program," including strategies to improve the LTC home care work force. Recognition of caseload and associated cost changes also reflects the administration's goal of "Budget Performance and Economic Value" by managing access to Medicaid long term care benefits and reducing unnecessary nursing facility capacity and Medicaid nursing facility caseload.

Recognition of the costs of caseload changes reflects the agency balanced scorecard goals of assuring a safety net is in place for people in need, clients maintain maximum independence, services are of high quality, people participate in choices about their services, and clients experience stability.

The Governor's goals to achieve high performance government, improve quality and customer service, and to increase the safety and security of Washington State residents are also supported.

Department of Social and Health Services

DP Code/Title: M2-ED Forecast Cost/Utilization
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Performance Measure Detail

Agency Level

Reason for change:

The expenditure presented in this decision package reflect the most current forecasts of per capita and expenditures for LTC programs.

Impact on clients and services:

This step reflects the costs associated with providing services to clients eligible, under current law, for LTC programs.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

Alternatives have been explored in the past with caseload driven forecast determined as the most appropriate alternative to provide the balance of service and funding requirements.

Budget impacts in future biennia:

Cost and utilization trends, as well as anticipated changes to the current program, can be anticipated to continue into future biennia.

Distinction between one-time and ongoing costs:

Cost and utilization trends, as well as anticipated changes to the current program, can be anticipated to continue into future biennia.

Effects of non-funding:

If funding is not available clients receiving services, and those who might need services in the future may not have access to those services.

Expenditure Calculations and Assumptions:

See attachment - LTC M2-ED Forecast Cost/Utilization

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(23,470,000)	(23,470,000)

Department of Social and Health Services

DP Code/Title: M2-ED Forecast Cost/Utilization
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(11,415,000)	(11,415,000)
<i>Total for Fund 001-1</i>		<u>0</u>	<u>(11,415,000)</u>	<u>(11,415,000)</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	(12,055,000)	(12,055,000)
<i>Total for Fund 001-C</i>		<u>0</u>	<u>(12,055,000)</u>	<u>(12,055,000)</u>
Total Overall Funding		<u>0</u>	<u>(23,470,000)</u>	<u>(23,470,000)</u>

**2007 Supplemental
M2-ED Forecast Cost/Utilization**

	Cassload	Expenditures		Per Capitas		Due to Cost/Utilization Changes		Total Change			
		Total	State	Total	State	Total	State	Federal	Federal		
FY07 - 2006 Supplemental											
X01	Nursing Facilities	11,400	529,883,000	265,742,000	50.15%	3,873.41	1,942.56				
X40	Adult Day Health	1,754	13,556,000	7,113,000	52.47%	644.05	337.94				
X43	NF Discharge	-	578,000	578,000	100.00%						
X48	Private Duty Nurse	68	10,493,000	5,236,000	49.90%	12,859.07	6,416.67				
X49	Recoveries	-	(21,495,000)	(11,000,000)	51.17%						
X61	In-Home	27,789	431,906,000	215,549,272	49.91%	1,295.19	646.39				
X62	Adult Family Home	4,065	63,776,000	32,177,004	50.45%	1,307.42	659.64				
X63	Adult Residential C	1,865	25,478,000	12,820,000	50.32%	1,138.43	572.83				
X64	Assisted Living	4,704	65,313,000	33,110,000	50.69%	1,157.05	586.56				
X65	PACE	269	7,702,000	3,851,000	50.00%	2,386.00	1,193.00				
J86	Agency Insurance	-	27,985,000	13,994,728	50.01%	-	-				
		51,914	1,155,175,000	579,171,004	50.14%	1,854.31	929.70				
		50,092									
FY07 - July 2006											
X01	Nursing Facilities	11,667	537,636,970	269,859,468	50.19%	3,840.15	1,927.51	(4,656,000)	(2,107,000)	7,754,000	4,117,000
X40	Adult Day Health	1,754	13,556,000	7,113,000	52.47%	644.05	337.94	-	-	-	-
X43	NF Discharge	-	578,000	578,000	100.00%			-	-	-	-
X48	Private Duty Nurse	68	10,493,000	5,236,000	49.90%	12,859.07	6,416.67	-	-	-	-
X49	Recoveries	-	(21,495,000)	(11,000,000)	51.17%			-	-	-	-
X61	In-Home	27,560	410,700,762	204,980,582	49.91%	1,241.84	619.80	(17,646,000)	(8,793,000)	(21,205,000)	(10,569,000)
X62	Adult Family Home	3,935	61,800,680	31,169,422	50.44%	1,308.78	660.09	65,000	21,000	(1,975,000)	(1,008,000)
X63	Adult Residential C	1,876	26,624,484	13,453,967	50.53%	1,182.68	597.64	996,000	558,000	1,146,000	634,000
X64	Assisted Living	4,663	64,460,370	32,698,609	50.73%	1,151.98	584.36	(284,000)	(122,000)	(853,000)	(411,000)
X65	PACE	323	7,303,441	3,651,722	50.00%	1,884.27	942.14	(1,945,000)	(972,000)	(399,000)	(199,000)
J86	Agency Insurance	-	27,973,668	16,169,070	57.80%	-	-	-	-	(11,000)	2,174,000
		51,846	1,139,632,375	573,909,840	50.36%	1,831.76	922.46	(23,470,000)	(11,415,000)	(15,543,000)	(5,262,000)
		50,024									

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$375,000 starting July 1, 2006 to cover the incremental cost increases incurred during Fiscal Year (FY) 2007 by transitioning to the Multi-Protocol Label Switching (MPLS) services network operated by the Department of Information Systems (DIS).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	28,000	28,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	27,000	27,000
Total Cost	0	55,000	55,000

Staffing

Package Description:

This transition increases costs to DSHS by \$375,000 in FY2007.

In partnership with DIS, DSHS is gradually transitioning from the existing DIS-provided network (Data Transport Services, (DTS)) to one that is more robust and flexible MPLS.

The transition by DSHS to the MPLS services network is supportive of DIS' business plan for gradual withdrawal from the DTS network in combination with conversion to MPLS services by all state agencies. To avoid the infrastructure and transport costs of two networks, DIS would like state agencies to move from DTS to MPLS as soon as possible.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The transition to the MPLS services network is consistent with initiatives of the Governor's Office to streamline government through the expanded and more effective use of technology. It supports the department's core business functions by enhancing the capacity and movement of essential information and is also consistent with the Washington State Digital plan.

This network transition supports the goals of the agency's balanced scorecard in that it:

- 1) Allows DSHS program areas to integrate and coordinate new and old information systems.
- 2) Assists DSHS program areas in providing excellent customer service by efficiently providing an effective communications infrastructure.
- 3) Provides high quality services that are easy to access by DSHS employees and service delivery partners who work directly with clients and allows program areas to expand the availability of agency resources.
- 4) Provides a network infrastructure that supports a very diverse set of requirements.

State and federal regulations such as the Health Insurance Portability and Accountability Act (HIPAA) require isolation and protection of confidential and sensitive client information. Transitioning to a MPLS services network provides this isolation by changing the network connections of our remote field offices so that they are logically behind the DSHS firewall even though they are physically connected to the DIS-provided state network and across public telecom providers. All of our network traffic will travel within a virtual (VRF) tunnel that is unique to DSHS and segmented from all other state agencies and other entities.

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Performance Measure Detail

Agency Level

Reason for change:

The old DTS network is neither as effective nor efficient in meeting the network requirements as the potential of the new MPLS network. As DIS migrates state agencies, connections on the old DTS network will become more difficult to establish and less responsive and reliable. DTS connections will not be upgraded, and gradually degrading performance will only sporadically be monitored or resolved. Since our network supports the department's key business functions, its performance and reliability are very important. For example, Governor Gregoire has directed the Secretary to make certain that caseworkers respond to reports of child abuse and neglect within twenty-four hours. Network reliability and transmission swiftness are important tools assisting caseworkers in the Children's Administration to meet this important edict.

Without a reliable network, other activities such as determining a client's eligibility for financial or medical assistance, collecting child support, and making correct and timely payments to our contracted providers could be delayed or not successfully completed as required by law, resulting in possible litigation and/or loss of funding.

Impact on clients and services:

Transitioning our Wide Area Network (WAN) to the MPLS services network allows program areas within DSHS to effectively provide service delivery to clients without being markedly impaired by limited network capacity or reliability. Without the transition, clients will experience an increasing frequency of times in which their assigned caseworker is unable to access the client's record, find the information that is needed, or to make the service changes that are needed - all because the communication network used by the Information Technology application is unavailable or unreliable due to network congestion.

A DSHS Vancouver office illustrates one example of improved network response provided by the MPLS migration. We tracked network response times from October 10, 2005 to October 14, 2005 (before the office's conversion) and from December 5, 2005 to December 9, 2005 (after the conversion). The office recognized an average 71% improvement in network response times after the conversion. Some offices may experience greater improvement in network performance while some sites may notice little or no response time difference; however, the transition will benefit all DSHS offices by providing more reliable technology.

Impact on other state programs:

The transition assists all program areas within DSHS to implement business initiatives using a stable, shared network, which is the most cost effective method to deliver these diverse client services. It allows us to support the network with current staffing and does not require additional staffing in the program areas.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The two available options are to:

- 1) Delay or transition more slowly.
- 2) Implement a gradual transition now.

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

If we were to continue with the current network infrastructure, we would gradually be unable to meet the agency's business requirements. As DIS migrates state agencies, connections on the DTS network will become more difficult to establish, more heavily congested and less responsive to user needs.

By transitioning now, our current network platform is combined with the newer MPLS technology provided through DIS. This permits us to leverage our investments in network hubs, Asynchronous Transfer Mode, and Ethernet services producing a more cost effective, expandable resource for all program areas across the state. This option allows us to scale the network to fit current demands and allows for cost effective growth as required.

Budget impacts in future biennia:

Ninety-nine percent of our almost 18,000 employees have intranet access and rely on the network to perform at least some aspect of their duties. As our reliance on technology grows, bandwidth requirements continue to increase. The Department of Personnel's Human Resource Management System (HRMS), the Office of Financial Management's Enterprise Reporting System (Fastrack), and Travel Voucher System (TVS) are some of the recent applications that have increased demands on our network. In addition, we have increased network requirements by using it to deploy security patches to the field, back up vital data at remote sites and share imaged client records across the state. By choosing to implement the network transition now, we are able to satisfactorily meet current business needs of the agency while migrating to newer technologies in the most cost effective manner.

This request is for the increased monthly circuit costs and installation charges DSHS will recognize during Fiscal Year 2007 for transitioning to MPLS circuits and other high-speed network transport connections such as Ethernet.

Distinction between one-time and ongoing costs:

In addition to the increased monthly costs, we estimate we will incur \$33,000 for one time installation charges in Fiscal Year 2007.

Effects of non-funding:

Not funding this decision package will affect all program areas, business partners and their clients within DSHS and the state of Washington.

As DTS network performance continues to degrade, our technical staff are required to dedicate more time to perform ineffectual trouble shooting and analysis. Slow response times and application timeouts are becoming increasingly common due to the overload of the DTS network, resulting in poorly performing Information Technology applications. Eventually, DTS network performance will seriously degrade to the point of potentially becoming unusable by program staff during peak periods of the workday. As a result, the delivery of vital client services, such as the safety of vulnerable children and adults will be hindered or delayed.

Due to its current instability, limited capacity and the fact that DIS will eventually dismantle the DTS network; DSHS is forced to move ahead with the transition to the MPLS network. As of June 2006, 57 DSHS sites have already transitioned to the new network and 160 sites remain to be converted. As of the August 2006 DIS invoice, DSHS has been billed for the converted circuit rates and one-time installation fees on 30% of our sites. By the end of Fiscal Year 2007, DSHS will be 100% converted.

During Fiscal Year 2007, we anticipate increased DIS charges of approximately \$375,000 for converted circuits and one-time installation fees. Please see the attached cost analysis (M2-PK Network Transition Costs.xls) for further details and source documentation.

Expenditure Calculations and Assumptions:

State of Washington
Decision Package
Department of Social and Health Services

FINAL

DP Code/Title: M2-PK Network Transition Costs
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Please see attachment AW M2-PK Network Transition Costs.xls.

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
E	Goods And Services	0	55,000	55,000
 <u>DSHS Source Code Detail</u>				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	28,000	28,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>28,000</u>	<u>28,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	27,000	27,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>27,000</u>	<u>27,000</u>
Total Overall Funding		<u>0</u>	<u>55,000</u>	<u>55,000</u>

**2007 Supplemental Request
M2-PK Network Transition Costs**

Worksheet: Summary

Object 'E'

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		58,000	58,000			0	0		0	58,000	58,000
020		27,000	27,000			0	0		0	27,000	27,000
030		19,000	19,000			0	0		0	19,000	19,000
040		28,000	28,000			0	0		0	28,000	28,000
050		55,000	55,000			0	0		0	55,000	55,000
060		138,000	138,000			0	0		0	138,000	138,000
070		1,000	1,000			0	0		0	1,000	1,000
080		0	0			0	0		0	0	0
100		36,000	36,000			0	0		0	36,000	36,000
110		13,000	13,000			0	0		0	13,000	13,000
150		0	0			0	0		0	0	0
Total	0	375,000	375,000		0	0	0		0	375,000	375,000

State/Other Split

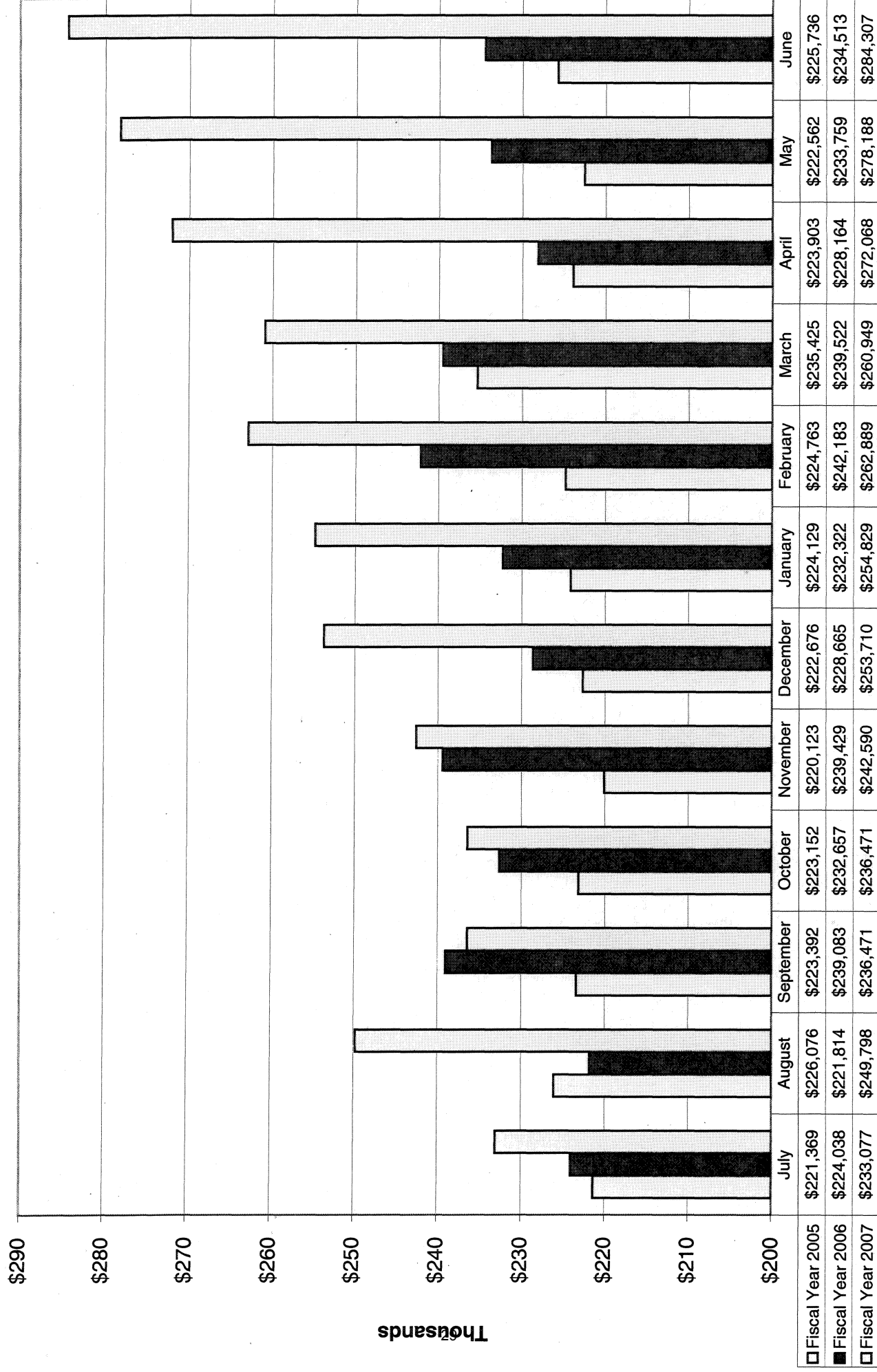
Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		40,000	40,000			18,000	18,000			58,000	58,000
020		27,000	27,000			0	0			27,000	27,000
030		15,000	15,000			4,000	4,000			19,000	19,000
040		17,000	17,000			11,000	11,000			28,000	28,000
050		28,000	28,000			27,000	27,000			55,000	55,000
060		82,000	82,000			56,000	56,000			138,000	138,000
070		1,000	1,000			0	0			1,000	1,000
080		0	0			0	0			0	0
100		36,000	36,000			0	0			36,000	36,000
110		9,000	9,000			4,000	4,000			13,000	13,000
150		0	0			0	0			0	0
Total	0	255,000	255,000		0	120,000	120,000		0	375,000	375,000

2007 Supplemental Request

M2-PK Network Transition Costs

DSHS

Wide Area Network (WAN) Connectivity Cost Comparison



Source: Department of Information Services monthly billing for WAN connectivity - September 2006 through June 2007, estimates

2007 Supplemental Request
M2-PK Network Transition Costs

DSHS
WAN Connectivity Charges
Monthly Billing from DIS

Worksheet: FY2007

Svc Ofg #	DIS Service Offering	July	August	September *	October *	November *	December *	January *	February *	March *	April *	May *	June *	FY2007 * YTD Invoice
0703	ATS Transport (Fractional)	70,874.00	81,077.02	76,238.58	76,238.58	79,855.31	83,472.03	87,088.76	88,897.12	90,705.49	94,322.21	97,938.94	101,555.67	1,028,263.71
0704	ATS DIS Installation	0.00	7,750.00	0.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	5,000.00	5,000.00	5,000.00	32,750.00
0777	Dedicated Tz/Point to Point C	1,719.12	1,719.12	1,719.12	1,719.12	1,893.86	2,068.80	2,243.34	2,330.71	2,418.08	2,592.82	2,767.56	2,942.30	26,133.75
0784	ATS Serial Router Port	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00
0788	Sonet Transport Sr	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	4,260.00
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	14,507.50	14,997.51	14,490.74	14,490.74	14,840.99	15,191.23	15,541.48	15,716.60	15,891.73	16,241.97	16,592.22	16,942.47	185,445.18
0800	Time & Material Repair/Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,692.00
0807	ATS USW Frame Relay Circuit	94,460.76	92,738.41	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	1,112,265.77
0822	Monthly Maintenance	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	352.56
0832	IP Routed NWK	29,052.00	29,052.00	29,052.00	29,052.00	29,621.33	30,190.67	30,760.00	31,044.67	31,329.33	31,898.67	32,468.00	33,037.33	366,558.00
0841	CFN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1123	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	CFN Network Management 10M	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1210	DIS MONTHLY MAINTENANCE (SPAR	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
1352	DMZ Firewall Port Charge	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1356	Ethernet Service 10M	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
1357	Fast Ethernet Service 100M	4,629.25	4,629.25	4,629.25	4,629.25	5,239.00	5,848.75	6,458.50	6,763.38	7,068.25	7,678.00	8,287.75	8,897.50	74,758.13
1360	Catalyst 1G Port	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
1373	Advanced Ethernet Service (AE	2,396.00	2,396.00	2,396.00	2,396.00	3,194.67	3,993.33	4,792.00	5,191.33	5,590.67	6,389.33	7,188.00	7,986.67	53,910.00
	Total	233,077.01	249,797.69	236,470.73	236,470.73	242,590.19	253,709.66	254,829.12	262,888.85	260,948.58	272,068.05	278,187.51	284,306.97	3,065,345.10
	Monthly cost variance from monthly average	8,851.33	25,572.01	12,245.05	12,245.05	18,364.51	29,483.98	30,603.44	38,663.17	36,722.90	47,842.37	53,961.83	60,081.29	374,636.94
	* September 2006 through June 2007 estimates								Monthly Average: July 2004 - August 2005 ->					224,225.68
									Monthly Average: September 2005 - Current ->					246,165.52
										Average Monthly Cost Increase ->				21,939.84

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Department of Social and Health Services

DP Code/Title: M2-VN Office Reloc One-Time Costs

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests one-time funding of \$285,000 beginning July 1, 2006 for three forced office moves across the state to cover the estimated relocation costs.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	3,000	3,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	3,000	3,000
Total Cost	0	6,000	6,000

Staffing

Package Description:

DSHS is requesting one-time only funding of \$285,000 in Fiscal Year (FY) 2007 to cover relocation costs due to three forced office moves in the following cities - Friday Harbor, Auburn, and Seattle.

In identifying these office locations, DSHS' Children's Administration, Aging and Disabilities Services Administration, and Economic Services Administration, worked closely with DSHS Division of Lands and Buildings to analyze all existing opportunities to maximize client service delivery, relieve client and staff overcrowding, minimize the effect of deteriorating buildings and reduce lease costs long-term. The three office relocations represent the best opportunities for DSHS to achieve these goals in the future and are consistent with the department's Leased Facilities Strategic Plan.

New or relocated offices require several standard modifications involving costs for IT infrastructure, building infrastructure, equipment, moving and construction.

Narrative Justification and Impact Statement

How contributes to strategic plan:

These strategic moves are part of the department's Leased Facilities Strategic Plan, which supports efficient use of budget dollars (one-time versus ongoing costs), efficient use of space, service integration opportunities, improved service delivery through co-location opportunities with other agencies and consolidation opportunities within the agency, and providing a productive workplace for staff. This request contributes to DSHS' strategic planning goals to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs." This request will provide DSHS staff with the facilities infrastructure to serve clients in a safe working environment.

Performance Measure Detail

Agency Level

Reason for change:

DSHS is forced to relocate the following three leased facilities:

Auburn Community Services Office was not able to renew this lease.

Department of Social and Health Services

DP Code/Title: M2-VN Office Reloc One-Time Costs
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

The Friday Harbor collocation office building was bought by San Juan County and it would not renew our lease.

The Seattle Division of Developmental Disabilities State Operated Living Alternative (SOLA) office was notified that the landlord intended to occupy the building and would not renew our lease.

Impact on clients and services:

By relocating to new co-located facilities, DSHS will be better able to continue to meet the needs of clients served by multiple DSHS programs.

Impact on other state programs:

Funding may have an impact on other state agencies that may be co-located with DSHS programs.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DSHS' Division of Lands and Buildings has explored alternatives with the affected programs. The relocation to newly leased facilities saves DSHS over the term of the lease and improves services to and access for clients.

Budget impacts in future biennia:

None

Distinction between one-time and ongoing costs:

These are one-time only costs to fund three office relocations across the state.

Effects of non-funding:

DSHS would need to examine staff costs and service areas for reductions in order to fund these relocations.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-VN Office Reloc One-time cost.xls.'

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	6,000	6,000

Department of Social and Health Services

DP Code/Title: M2-VN Office Reloc One-Time Costs
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	3,000	3,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>3,000</u>	<u>3,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	3,000	3,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>3,000</u>	<u>3,000</u>
Total Overall Funding		<u>0</u>	<u>6,000</u>	<u>6,000</u>

**2007 Supplemental Request
M2-PK Network Transition Costs**

Worksheet: Data

	July	August	September	October	November	December	January	February	March	April	May	June
Fiscal Year 2005	\$221,369	\$226,076	\$223,392	\$223,152	\$220,123	\$222,676	\$224,129	\$224,763	\$235,425	\$223,903	\$222,562	\$225,736
Fiscal Year 2006	\$224,038	\$221,814	\$239,083	\$232,657	\$239,429	\$228,665	\$232,322	\$242,183	\$239,522	\$228,164	\$233,759	\$234,513
Fiscal Year 2007	\$233,077	\$249,798	\$236,471	\$236,471	\$242,590	\$253,710	\$254,829	\$262,889	\$260,949	\$272,068	\$278,188	\$284,307

2007 Supplemental Request M2-VN Office Reloc One-Time Costs

Worksheet: Program Fiscal Impact

Decision Package: DSHS Relocation Costs

Program	FY06			FY07			2005-07 Total		
	State	Other	Total	State	Other	Total	State	Other	Total
010	0	0	0	19,000	8,000	27,000	19,000	8,000	27,000
020	0	0	0	0	0	0	0	0	0
030	0	0	0	0	0	0	0	0	0
SCC	0	0	0	0	0	0	0	0	0
040	0	0	0	43,000	35,000	78,000	43,000	35,000	78,000
050	0	0	0	3,000	3,000	6,000	3,000	3,000	6,000
060 (no DEL)	0	0	0	91,000	83,000	174,000	91,000	83,000	174,000
DEL	0	0	0	0	0	0	0	0	0
060	0	0	0	91,000	83,000	174,000	91,000	83,000	174,000
100	0	0	0	0	0	0	0	0	0
TOTAL:	0	0	0	156,000	129,000	285,000	156,000	129,000	285,000

2007 Supplemental Request
M2-VN Office Reloc One-Time Costs

Worksheet: Project Detail

Decision Package: DSHS Relocation Costs

Project Title	New/Relocate	No. of Staff	Square Footage	Approximate Total Costs	Control Number	Total FY07 Relocation Cost for the Project	Most Current Estimated Relocation Date	010	040	050	060 Non-DEL	060 DEL
Friday Harbor Collocation	Relocate	7	1,505	\$ 43,567	966	\$ 43,567	Dec-06	\$ 26,532		\$ 5,882	\$ 11,153	
Auburn Community Services Office	New	33	8,000	\$ 162,580	963	\$ 162,580	Jun-07				\$ 162,580	
Seattle Division of Developmental Disabilities-SOLA	Relocate	15	3,250	\$ 78,444	983	\$ 78,444	Jun-07		\$ 78,444			

Total DSHS Relocation Request

Total by Program: \$ 26,532 \$ 78,444 \$ 5,882 \$ 173,733 \$ -
 Rounded: \$ 27,000 \$ 78,000 \$ 6,000 \$ 174,000 \$ -
 % of Total Cost: 9.32% 27.56% 2.07% 61.05% 0.00%

Totals:

\$ 284,591
 \$ 285,000
 100.00%

State \$ 19,000 \$ 43,000 \$ 3,000 \$ 91,000
 Other \$ 8,000 \$ 35,000 \$ 3,000 \$ 83,000
 Total: \$ 27,000 \$ 78,000 \$ 6,000 \$ 174,000

Construction: \$5 per square foot for extra Tenant Improvements (TI)
 IT Infrastructure: If the space is **less than** 20,000 square feet - \$1,550 per person (\$350 per Voice/Data Jack (3 per person) + \$500 per person)
 IT Infrastructure: If the space is **more than** 20,000 square feet - \$11,000 per person (\$350 per Voice/Data Jack (2 per person)+ \$400 per person)
 Building Infrastructure: \$1.25 per square foot for Security Systems+ \$12,000 for reasonable accommodations
 Equipment Costs: \$750 per person
 Moving Costs: \$300 per person
 Contingency: 10% for extra construction costs, increased material costs, unanticipated change orders

Department of Social and Health Services

DP Code/Title: M2-VT OB-2 Rehabilitation
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$895,000 and 1.0 FTE beginning July 1, 2006 for expenses associated with the upcoming rehabilitation of Office Building -2 (OB-2) DSHS Headquarters.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	19,000	19,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	16,000	16,000
Total Cost	0	35,000	35,000

Staffing

Package Description:

DSHS requests \$895,000 and 1.0 FTE for Fiscal Year 2007 for the costs associated with rehabilitating OB-2.

Headquarters operations are housed in Office Building 2 on East Capital Campus, this includes several DSHS Administrations as well as DSHS Executive Management.

The department of General Administration (GA) has a rehabilitation plan for OB-2 that includes the seismic retrofit of the facility. This renovation is required to improve the structural integrity and energy efficiency of the building.

For this renovation to occur, DSHS will have to vacate one quarter of the facility in phases over approximately 18 months. This request includes moving expenses associated with this renovation. Approximately 20,000 square feet of temporary space will have to be leased for DSHS to vacate the necessary space for construction. DSHS will require 1.0 FTE to begin work to support these activities. This FTE will complete DSHS facility programming, move planning, staff communication, and move coordination in collaboration with GA FTEs. This FTE will be responsible for ensuring effective space usage to achieve an anticipated reduction of 22,000 square feet in Thurston County. In order to complete this comprehensive planning a dedicated resource is needed.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This project contributes to the Agency goal to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs".

This project will provide approximately 950 DSHS staff with the facilities infrastructure to do their jobs in a safe working environment.

Performance Measure Detail

Agency Level

Reason for change:

This project will support GA's efforts to improve the safety of OB-2 for building tenants during an earthquake. Specifically,

Department of Social and Health Services

DP Code/Title: M2-VT OB-2 Rehabilitation

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

it will improve the building structure to increase life safety levels in the event of an earthquake, other natural disaster, or man-made disaster.

In addition, this renovation is expected to improve energy efficiency with the replacement of windows and improvements to the buildings Heating, Ventilation And Cooling (HVAC) systems.

This project is the final phase of GA's multi-phased building rehabilitation. It is important to staff safety to complete this project at this time.

In conjunction with the rehabilitation, the DSHS Communication Room will be consolidated into the Department of Information Services (DIS) Local Area Network (LAN) room located on the Service Level of OB-2. This will allow for better infrastructure support for some of the most critical Information Technology (IT) equipment for DSHS.

Impact on clients and services:

This project is not expected to be disruptive to DSHS client services.

There will be minimal disruption to business operations for building tenants while the phased relocations occur.

Impact on other state programs:

GA will be impacted by this project. GA is responsible for building operations and construction management of this project.

Relationship to capital budget:

GA is submitting a capital budget request to complete the design and construction of this project.

GA's request is OB-2 Rehabilitation, number 1998-1-007. It is estimated to cost \$12.4 million and will be funded by a Certificate of Participation (COP).

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DSHS considered vacating the building all at once.

Cons:

This model would have increased the costs of temporary relocation to nearly \$13,000,000. This model would have required DSHS to lease approximately 260,000 square feet of temporary space in Thurston County.

Pros:

This would have been less disruptive to staff and services provided in OB-2. This would have allowed construction to occur faster and would have reduced construction costs.

The alternative selected is the best alternative because it will reduce the costs of this project by over half. In addition, this will significantly reduce the amount of temporary leased space to approximately 8% of the other alternative.

This project has not been assessed against best practices. It is being developed and implemented using recently improved procedures for the construction of DSHS leased space.

Department of Social and Health Services

DP Code/Title: M2-VT OB-2 Rehabilitation
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Budget impacts in future biennia:

This project is expected to span two biennia. The estimated cost, as assumed based on the current GA schedule, for the 2007-09 biennium is \$2,257,000 and \$2,317,000 for the 2009-11 biennium.

Beyond the 2009-11 biennium, DSHS will continue to incur an estimated \$200,000 annually for the continued maintenance of the LAN room, which is payable to DIS.

In addition, because the Capital Project will be funded through a COP, GA will be increasing the DSHS reimbursable fees to pay for the construction. This will create a fiscal impact to the GA revolving fund in program 145 (Payments to Other Agencies). Estimated costs have not been provided to date from GA. GA is creating a pro forma to document these increased costs.

This remodel is expected to greatly improve the space usage in OB-2, to the point that DSHS will be able to vacate existing DSHS leaseholds. Following the remodel, DSHS will vacate a leased facility.

The shifting of staff in Thurston County is expected to result in a in total lease cost reduction of \$482,000 annually or \$964,000 a biennium.

Distinction between one-time and ongoing costs:

This request is predominantly all one-time costs, except for the cost of the increased charges to DIS for the maintenance of the LAN room. These costs are to pay for the infrastructure DSHS will be using in this room on an ongoing basis.

Effects of non-funding:

If funding is not provided, this project will not occur.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-VT OB-2 Rehabilitation.xls'.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
T Intra-Agency Reimbursements	0	35,000	35,000
 <u>DSHS Source Code Detail</u>			
Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	19,000	19,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>19,000</u>	<u>19,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	16,000	16,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>16,000</u>	<u>16,000</u>
Total Overall Funding	<u>0</u>	<u>35,000</u>	<u>35,000</u>

**2007 Supplemental Request
M2-VT OB-2 Rehabilitation**

Worksheet: Summary

Program	Non-TZ Objects by FY				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010			0		166,000	166,000			0	166,000	166,000
020			0		34,000	34,000			0	34,000	34,000
030			0		34,000	34,000			0	34,000	34,000
040			0		28,000	28,000			0	28,000	28,000
050			0		35,000	35,000			0	35,000	35,000
060			0		362,000	362,000			0	362,000	362,000
070			0		1,000	1,000			0	1,000	1,000
080			0		7,000	7,000			0	7,000	7,000
100			0		10,000	10,000			0	10,000	10,000
110		94,000	94,000		124,000	124,000			0	218,000	218,000
150		801,000	801,000		(801,000)	(801,000)			0	0	0
Total	0	895,000	895,000		0	0	0		0	895,000	895,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		114,000	114,000		52,000	52,000			166,000	166,000	
020		34,000	34,000		0	0			34,000	34,000	
030		24,000	24,000		10,000	10,000			34,000	34,000	
040		19,000	19,000		9,000	9,000			28,000	28,000	
050		19,000	19,000		16,000	16,000			35,000	35,000	
060		181,000	181,000		181,000	181,000			362,000	362,000	
070		1,000	1,000		0	0			1,000	1,000	
080		7,000	7,000		0	0			7,000	7,000	
100		8,000	8,000		2,000	2,000			10,000	10,000	
110		139,000	139,000		79,000	79,000			218,000	218,000	
150		0	0		0	0			0	0	
Total	0	546,000	546,000		0	349,000	349,000		0	895,000	895,000

**2007 Supplemental
M2-VT OB-2 Rehabilitation**

OB-2 Rehabilitation Summary

STAFF COSTS	FTE'S	COSTS PER ITEM	TOTAL COST	FY07
Facilities Project Manager	1	\$ 95,000	\$ 95,000	\$ 95,000
IT Coordinator	0.5	\$ 48,000	\$ 48,000	\$ -
Total Annual Staffing Estimate			\$ 143,000	\$ 95,000

OB2 COSTS

INFRASTRUCTURE& MOVING COSTS

	NUMBER OF ITEMS	COSTS PER ITEM	TOTAL COST	FY07
Voice and Data Expenses				
DIS Costs				
Relocation and Installation of Equipment		-	-	600,000
DIS Maintenance Costs for Relocation of LAN Room		200,000	200,000	200,000
Subtotal: Total Project Estimate			1,540,000	800,000

GRAND TOTAL	\$ 895,000
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05-07 Biennium \$ 895,000

Assumptions:

Tempoary LAN Room includes: equipment, HVAC, and Set-up

**2007 Supplemental
M2-VT OB-2 Rehabilitation**

OB-2 Rehabilitation Summary

	FY07	FTE	A	B	E	J	TZ	TOTAL
010	Children and Family Services						166,000	166,000
020	Juvenile Rehabilitation						34,000	34,000
030	Mental Health						32,000	32,000
040	Developmental Disabilities						28,000	28,000
050	Aging and Adult Services						35,000	35,000
060	Economic Services						362,000	362,000
070	Alcohol and Substance Abuse						1,000	1,000
080	Medical Assistance						7,000	7,000
100	Vocational Rehabilitation						8,000	8,000
100-1	Deaf & Hard of Hearing						2,000	2,000
110	Administration	1.0	63,000	16,000	7,000	8,000	124,000	218,000
SCC	Special Commitment Center						2,000	2,000
150	Information System Services Division	-	-	-	801,000	-	(801,000)	-
Total		1.0	63,000	16,000	808,000	8,000	-	895,000

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	Biennial TOTAL	FTE	A	B	E	J	TZ	TOTAL
010	Children and Family Services	-	-	-	-	-	166,000	166,000
020	Juvenile Rehabilitation	-	-	-	-	-	34,000	34,000
030	Mental Health	-	-	-	-	-	32,000	32,000
040	Developmental Disabilities	-	-	-	-	-	28,000	28,000
050	Aging and Adult Services	-	-	-	-	-	35,000	35,000
060	Economic Services	-	-	-	-	-	362,000	362,000
070	Alcohol and Substance Abuse	-	-	-	-	-	1,000	1,000
080	Medical Assistance	-	-	-	-	-	7,000	7,000
100	Vocational Rehabilitation	-	-	-	-	-	8,000	8,000
100-1	Deaf & Hard of Hearing	-	-	-	-	-	2,000	2,000
110	Administration	0.5	63,000	16,000	7,000	8,000	124,000	218,000
SCC	Special Commitment Center	-	-	-	-	-	2,000	2,000
150	Information System Services Division	-	-	-	801,000	-	(801,000)	-
Total		0.5	63,000	16,000	808,000	8,000	-	895,000

**2007 Supplemental
M2-VT OB-2 Rehabilitation**

PROGRAM 110 STAFF COSTS

	FY 06	FY 07	TOTAL
<u>FTE</u>			
Facilities Project Manager	-	1.0	0.5
TOTAL	-	1.0	0.5

OBJECTS

SALARY			
Facilities Project Manager	-	63,000	63,000
TOTAL	-	63,000	63,000

BENEFITS			
Facilities Project Manager	-	16,000	16,000
TOTAL	-	16,000	16,000

GOODS AND SERVICES			
Facilities Project Manager	-	7,000	7,000
TOTAL	-	7,000	7,000

EQUIPMENT			
Facilities Project Manager	-	8,000	8,000
TOTAL	-	8,000	8,000

ISSD-TZ			
Facilities Project Manager	-	1,000	1,000
TOTAL	-	1,000	1,000

TOTAL			
Facilities Project Manager	-	95,000	95,000
TOTAL	-	95,000	95,000

FUNDS

STATE			
Facilities Project Manager	-	61,000	61,000
TOTAL	-	61,000	61,000

FEDERAL			
Facilities Project Manager	-	34,000	34,000
TOTAL	-	34,000	34,000

TOTAL			
Facilities Project Manager	-	95,000	95,000
TOTAL	-	95,000	95,000

2007 Supplemental M2-VT OB-2 Rehabilitation

ISSD Costs

Staff Costs	Relocation Equipment /Install	Ongoing DIS	LAN Room Equipment	Total
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FY2007

FTE				-
A Salaries				-
B Benefits				-
E Goods & Services		200,000	200,000	400,000
J Equipment		400,000		400,000
TZ Recoveries	-	(600,000)	(200,000)	(800,000)
Total	-	-	-	-

Program TZ Distribution

FY2006	FY2007
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010 Children and Family Services	-	166,000
020 Juvenile Rehabilitation	-	34,000
030 Mental Health	-	32,000
040 Developmental Disabilities	-	28,000
050 Aging and Adult Services	-	35,000
060 Economic Services	-	362,000
070 Alcohol and Substance Abuse	-	1,000
080 Medical Assistance	-	7,000
100 Vocational Rehabilitation	-	8,000
100-1 Deaf & Hard of Hearing	-	2,000
110 Administration	-	123,000
SCC Special Commitment Center	-	2,000
150 Information System Services Division	-	-
Total	-	800,000

Enclosure Distribution	ISSD Enterprise Distribution	Total Cost Distribution	
010 Children and Family Services	11.98%	8.77%	20.75%
020 Juvenile Rehabilitation	3.11%	1.10%	4.21%
030 Mental Health	3.11%	0.91%	4.02%
040 Developmental Disabilities	1.56%	1.92%	3.48%
050 Aging and Adult Services	1.56%	2.81%	4.37%
060 Economic Services	19.26%	25.93%	45.19%
070 Alcohol and Substance Abuse	0.00%	0.11%	0.11%
080 Medical Assistance	0.00%	0.93%	0.93%
100 Vocational Rehabilitation	0.00%	1.02%	1.02%
100-1 Deaf & Hard of Hearing	0.31%	0.00%	0.31%
110 Administration	12.45%	2.93%	15.38%
SCC Special Commitment Center	0.00%	0.23%	0.23%
150 Information System Services Division	46.66%	(46.66%)	0.00%
Total	100.00%	0.00%	100.00%

Department of Social and Health Services

DP Code/Title: M2-WW Background Check-WSP WATCH Fees
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Aging and Disability Services Administration (ADSA) is requesting funding for Home and Community Services (HCS) and the Area Agencies on Aging (AAA) to run background checks through the Washington State Patrol (WSP) WATCH system for six months at a cost of \$173,000, \$87,000 GF-State. The decision package also requests 1.0 FTE for six months to develop a web-based connection between the field and Background Check Central Unit (BCCU), so that the field can submit the background checks to BCCU through the new web system and quickly obtain results.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	87,000	87,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	86,000	86,000
Total Cost	0	173,000	173,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	0.5	0.3

Package Description:

This request is for \$173,000, \$87,000 General Fund State.

ADSA requires a web-based WATCH check at the initiation of a background check for its providers who have unsupervised access to vulnerable clients. This is to enable case managers and social workers to have immediate information on providers while they await the results of the background check through the BCCU. Until now, the WSP has not charged HCS or AAA offices for running these web-based checks. As a result of an audit within the WSP, the WSP is now going to charge \$10.00 per background check. There are approximately 2,000 WATCH checks run each month. In order to move away from the direct connection through WSP, ADSA will need 1.0 FTE for six months to develop a new web-based connection for the field to send the request through the Background Check Central Unit.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This decision encompasses the strategic plan which supports client choice of appropriate quality services in the least restrictive environment and continues to improve upon the already strong performance of programs that monitor the quality of care, quality of life, safety of vulnerable children and adults, and accountability of programs. The contract monitoring plan and quality assurance is used to measure and verify that WATCH checks are run and that the department takes necessary action on WATCH results.

Performance Measure Detail

Agency Level

Activity: E054 LTC Investigations/Quality Assurance

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Reason for change:

As a result of an audit, WSP is no longer going to run WATCH checks without charging Home and Community Services and

Department of Social and Health Services

DP Code/Title: M2-WW Background Check-WSP WATCH Fees
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

the Area Agencies on Aging. WSP will charge \$10.00 per check.

Impact on clients and services:

In order for Home and Community Services and the Area Agencies on Aging to continue to run background checks through WATCH, there needs to be funding. Checks are run on providers of vulnerable adults to help ensure the health, safety, and well being of these adults, and to determine the character, competence, and suitability of these providers, per RCW 74.39A.095.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

Home and Community Services will need 1.0 FTE for six months to develop a web-based connection to the Background Check Central Unit. When that is in place, background checks can be run through BCCU with immediate results if the provider does not have a record, so funding through this request will be up to six months. ADSA and the AAAs could continue to use WATCH at an estimated cost of \$20,000 per month for Fiscal Year 2007 and through future biennia if the funding for the web based connection is not implemented.

Budget impacts in future biennia:

None

Distinction between one-time and ongoing costs:

All costs are one-time.

Effects of non-funding:

The WATCH checks will not be able to be run, which will increase the vulnerability of the client population that we serve.

Expenditure Calculations and Assumptions:

See attachment: LTC M2-WW Background Check-WSP WATCH Fees.xls

Department of Social and Health Services

DP Code/Title: M2-WW Background Check-WSP WATCH Fees

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	30,000	30,000
B Employee Benefits	0	7,000	7,000
E Goods And Services	0	124,000	124,000
G Travel	0	1,000	1,000
J Capital Outlays	0	10,000	10,000
T Intra-Agency Reimbursements	0	1,000	1,000
Total Objects	0	173,000	173,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	87,000	87,000
Total for Fund 001-1	0	87,000	87,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	86,000	86,000
Total for Fund 001-C	0	86,000	86,000
Total Overall Funding	0	173,000	173,000

2007 Supplemental
M2-WW Background Check-WSP WATCH Fees

	FTE	FY07		05-07 Biennial Total	
		GF-S	GF-F	GF-S	GF-F
	0.5	87,000	86,000	87,000	86,000
	0.5	87,000	86,000	87,000	86,000
Total					

FY07	FTEs	Monthly	Salaries		Benefits	Personal Services Contracts	Goods/Services	Lease/Energy	Personnel Costs	Travel	Equip	ISSD	Total
			A	B									
ITS5													
background checks paid to WSP	0.5	5,003	30,000	7,000			2,000	2,000	-	1,000	10,000	1,000	53,000
							120,000	-	-	-	-	-	120,000
Total	0.5		30,000	7,000			122,000	2,000	-	1,000	10,000	1,000	173,000

Assumptions:
 LTC estimates 2,000 checks per month at \$10.00 each. 2,000 x \$10 = \$20,000 a month
 LTC assumes it may take as long as 6 months to develop a web-based connection through the Background Check Central Unit
 6 x \$20,000 = \$120,000
 LTC estimates the total cost to be \$120,000.
 An ITS 5 for 6 months to develop the web-based connection from the field to the Central Background Check Unit

Department of Social and Health Services

DP Code/Title: M2-WX PNA Increase For MN In-Home Waiver
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Aging and Disability Services Administration is requesting \$99,000 General Fund State. Funding is requested to increase the amount of monthly income that Medically Needy In-Home Waiver (MNIW) recipients are allowed to keep from the Medically Needy Income Level (MNIL) to the Federal Poverty Level (FPL). This request will provide resolution to a class action lawsuit that was filed in 2000 (Townsend v. Quasim).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	99,000	99,000
Total Cost	0	99,000	99,000

Staffing

Package Description:

This request is for a total of \$99,000 General Fund State. Funding is requested to increase the amount of monthly income that MNIW recipients are allowed to keep from the MNIL to the FPL. Based on current standards, the increase is \$214 per month. This request is needed to:

- (1) make the MNIW program comparable to the Community Options Program Entry System (COPES) waiver, which provides the same set of services;
- (2) increase the number of participants in the program, which is currently unaffordable for most clients; and
- (3) provide resolution to a class action lawsuit that was filed in 2000.

The MNIW provides long-term care services to persons in their own homes who have income above the standard for COPES, but below their cost of care. This waiver was developed in response to class action litigation (Townsend v. Quasim) based on the Americans with Disabilities Act (ADA) and serves a small population of recipients (maximum of 200) who would otherwise "fall through the cracks" for in-home care. Washington received approval from the Centers for Medicare and Medicaid Services (CMS) in 2004 to operate the waiver, but was unsuccessful in gaining the same level of client benefits as those provided by COPES. One of the benefits that was denied by CMS was the provision that single clients are allowed to keep an amount up to the FPL before participation is calculated. This amount is called the Personal Needs Allowance (PNA). The PNA is the amount that the client must use to pay for any obligation that is not related to long term care or other medical costs, such as rent/mortgage, utilities, and food.

The Aging and Disability Services Administration (ADSA) currently has 28 clients participating in this waiver. Based on a survey of 72 clients that declined services, it was found that the main reason clients decline services is because they are only allowed to keep the MNIL as their personal needs allowance. The MNIL is currently \$603 per month. The FPL is presently at \$817 per month. Increasing the PNA to the FPL will make the program more attractive to clients.

ADSA needs to increase the PNA for this small group of clients (maximum of 200) in order to resolve litigation that is currently stayed by both parties while the department seeks funding to make the program comparable to the COPES waiver.

The Townsend litigation is currently stayed by agreement of the parties because ADSA developed the waiver. The waiver has struggled, primarily because of the low PNA. If this request is not funded, then the litigation will continue.

Narrative Justification and Impact Statement

Department of Social and Health Services

DP Code/Title: M2-WX PNA Increase For MN In-Home Waiver

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

How contributes to strategic plan:

This funding request directly supports DSHS/ADSA's goals identified for Fiscal Years 2008 and 2009: A. Improve Client Health and Safety - Public Value. Goal 1: Appropriate quality services are available in the least restrictive, most cost effective setting appropriate to client's needs. Funding of this request will make it more likely that clients can afford to participate in this program.

Performance Measure Detail

Agency Level

Reason for change:

ADSA needs to increase the PNA for this small group of clients (maximum of 200) in order to resolve litigation that is currently stayed by both parties while the department seeks funding to make the program comparable to the COPES waiver.

Impact on clients and services:

The package of services available to the MNIW participants will not change. Eligibility will be expanded by virtue of the increased amount of monthly income that clients will be able to keep. No opposition to this proposal is expected.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

WAC 388-515-1550 will need to be amended.

Alternatives explored by agency:

There are no other options besides state funding for providing a higher PNA.

Budget impacts in future biennia:

The administration expects the participation rate in the waiver to increase slowly over time.

Distinction between one-time and ongoing costs:

All costs are assumed to be ongoing with a growth each year of 21 new clients being served for an average of six months.

Effects of non-funding:

If the proposal is not funded, the program will continue to be impossible for most clients to afford and participation will probably never exceed 40 clients. In addition, the department will continue to be involved with the class action litigation.

Expenditure Calculations and Assumptions:

Department of Social and Health Services

**DP Code/Title: M2-WX PNA Increase For MN In-Home Waiver
Program Level - 050 Long Term Care Services**

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	99,000	99,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	99,000	99,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>99,000</u>	<u>99,000</u>
Total Overall Funding	<u>0</u>	<u>99,000</u>	<u>99,000</u>

**2007 Supplemental
M2-WX PNA Increase for MN In-Home Waiver**

	FTE	FY07			05-07 Biennial Total		
		GF-S	GF-F	Total	GF-F	Total	Total
Total	-	50,000	49,000	99,000	50,000	49,000	99,000
	-	50,000	49,000	99,000	50,000	49,000	99,000

FY07	FTEs	Monthly	0.24										1560			
			Salaries A	Benefits B	Personal Services Contracts C	Goods/Services E	Lease/Energy ED	Personnel Costs EN	Travel G	Equip J	Client Services N	ISSD T	Total			
Personal Needs Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,000

Assumptions:
 28 existing clients
 \$214 per month for 12 months
 28 X 214 = \$5,992
 5,992 X 12 = \$71,904
 21 new clients
 \$214 per month for 6 months
 21 X 214 = \$4,494
 6 X 4,494 = \$26,964
 Total cost \$71,904 + \$26,694 = \$98,598 round to \$99,000

Department of Social and Health Services

DP Code/Title: M2-WY Spokane HCS Relocation

Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Aging and Disability Services Administration (ADSA) is requesting one-time funding in the amount of \$110,000 GF-State, \$219,000 total funds to relocate ADSA's Home and Community Services (HCS) office in Spokane.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 050			
001-1 General Fund - Basic Account-State	0	110,000	110,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	109,000	109,000
Total Cost	0	219,000	219,000

Staffing

Package Description:

ADSA is requesting \$219,000 one-time funding for the relocation of the HCS office in Spokane. The one-time relocation costs include funding for physically moving department-owned inventory of office items, voice and data expenses and security system installation. This strategic relocation is part of the department's comprehensive Leased Facilities Strategic Plan as approved by the Secretary of the Department of Social and Health Services (DSHS).

The current HCS facility is not suitable for long-term occupancy because of current building conditions. This is a stand-alone facility which the program has occupied since 1989. The new facility will alleviate over-crowded office conditions and allow for the support of projected case load/service delivery expansion. The HCS office is located in a declining neighborhood and security and safety issues are prevalent.

This Office relocation supports DSHS service integration, collocation opportunities and utilizes the ADSA's budget as efficiently as possible. The department's site selection process has placed the new office in a location that is adjacent to HCS's essential business partner, Residential Care Services -- and four other DSHS programs (DASA, DDDS, CA and DCS).

The relocation schedule assumes occupancy in the new facility in June, 2007.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This Office relocation supports DSHS service integration through office collocation, enhanced client service delivery, and sharing of resources associated with office environments. The department's site selection process has placed the new office in a location that is adjacent to Residential Care Services and other vital client service delivery programs within the department. This relocation utilizes the Administrations budget as efficiently as possible.

Performance Measure Detail

Reason for change:

The department is implementing a Leased Facilities Strategic Plan to maximize efficiencies and support future integration of client service delivery. Under this plan, the department is collocating the HCS Spokane office, requiring relocation of staff to

Department of Social and Health Services

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the newly leased facility.

Impact on clients and services:

By relocating to a new collocated facility, DSHS will be able to meet the current and future needs of clients served by ADSA and other DSHS programs.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

DSHS Division of Lands and Buildings has explored collocation alternatives in Spokane. Vacant office space does not exist within other ADSA locations in the vicinity. Cancelling lease commitments affecting other ADSA divisions to form a joint relocation was explored and deemed too costly to pursue.

Budget impacts in future biennia:

None

Distinction between one-time and ongoing costs:

These are one-time only costs to relocate in Spokane.

Effects of non-funding:

ADSA would need to examine staff costs and service areas for reductions in order to fund this relocation.

Expenditure Calculations and Assumptions:

See attachment : LTC M2-WY Spokane HCS Relocation.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 050 Objects			
E Goods And Services	0	179,000	179,000
J Capital Outlays	0	40,000	40,000
Total Objects	0	219,000	219,000

Department of Social and Health Services

DP Code/Title: M2-WY Spokane HCS Relocation

Program Level - 050 Long Term Care Services

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DSHS Source Code Detail

Program 050		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	110,000	110,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>110,000</u>	<u>110,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	109,000	109,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>109,000</u>	<u>109,000</u>
Total Program 050		<u>0</u>	<u>219,000</u>	<u>219,000</u>

2007 Supplemental M2-WY Spokane HCS Relocation

	# of items	Cost per items	Total Cost
Premise Wiring	264	\$ 300	\$ 79,200
Telephone Sets	132	\$ 300	\$ 39,600
Racks	1	\$ 7,500	\$ 7,500
HVAC Consultant Fees	1	\$ 4,000	\$ 4,000
Security System Equip	1	\$ 40,000	\$ 40,000
Security System Cardkeys	40	\$ 8	\$ 320
Moving Vendors	100	\$ 300	\$ 30,000
Boxes	1000	\$ 3	\$ 3,000
Tape	50	\$ 5	\$ 250
Contingency 7.5%			\$ 15,290
TOTAL			\$ 219,000

State	\$ 110,000
Federal	\$ 109,000
2007 Supplemental Total	\$ 219,000

Department of Social and Health Services

DP Code/Title: M2-WZ Capital Add-On Rate Fndg Correction
Program Level - 050 Long Term Care Services

Budget Period: 2005-07 Version: E3 050 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

Aging and Disability Services Administration (ADSA) is requesting \$179,000 (\$90,000 GF-State) to correct the appropriation for Capital add-on effective July 1, 2006 through June 30, 2007. Without the increased appropriation, the department will not have the funding available to pay the capital add-on rate to all eligible Assisted Living (AL) contractors during Fiscal Year 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	90,000	90,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	89,000	89,000
Total Cost	0	179,000	179,000

Staffing

Package Description:

This request is for \$179,000 (\$90,000 GF-State).

In the 2006 Legislative Session, the Legislature passed Engrossed Substitute House Bill 2925, which the Governor signed into law on March 27, 2006. The law significantly changed the awarding of a capital add-on rate to a boarding home with an AL contract.

First, the law allows any AL contractor that has 60 percent or greater Medicaid occupancy to receive a capital add-on rate. Second, the Medicaid occupancy percentage is to be established each July 1st using the Medicaid service days for the last six months of the preceding calendar year. Those AL contractors with a sixty percent or greater Medicaid occupancy percentage would receive the capital add-on rate for a full year running concurrently with the fiscal year.

For Fiscal Year 2007, ADSA received funding to pay AL contractors with a Medicaid Occupancy percentage of 60 percent or above a capital add-on rate. The appropriation was based on a determination of the number of AL contractors that would be added to the existing eleven AL contractors for which the department was paying the add-on rate during the period of January 1, 2006 through June 30, 2006.

To develop the amount of the appropriation, the department listed AL contractors and their Medicaid Occupancy percentages for the period of January 1, 2005 through December 31, 2005. The spreadsheet that contained the list of potential AL contractors also contained the AL contractors that were receiving the capital add-on rate for the same period.

Four qualified AL contractors were excluded from the calculation. In addition, an AL contractor receiving the add-on rate was included in the calculation, but should not have been. This request adjusts the appropriation to cover the eligible contractors.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This funding directly supports DSHS/ADSA's goals identified for Fiscal Years 2008 and 2009: A. Improve Client Health and Safety - Public Value. Goal 1: Appropriate quality services are available in the least restrictive, most cost effective setting

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DP Code/Title: M2-WZ Capital Add-On Rate Fndg Correction
Program Level - 050 Long Term Care Services

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appropriate to client's needs.

Through the provision of long term care and supportive services that are high quality, cost effective, and responsive to individual needs and preferences, ADSA helps individuals and their families develop and maintain self-sufficiency; remain valued and contributing members of their community; and maximize quality of life.

To achieve this purpose, we:

- Develop a consistent, reliable, and cost-effective service system that is responsive to diverse consumer needs and adaptable in response to the changing needs of consumers and the community.
- Promote quality, safety, access, accountability, and non-discrimination in our service system.

Performance Measure Detail

Agency Level

Reason for change:

The proposal corrects the appropriation for the capital add-on rate that was received in the 2006 Supplemental Budget.

Impact on clients and services:

Capital add-on payments to AL contractors with 60 percent Medicaid Occupancy or greater will be maintained.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

Without sufficient appropriated funds, the department's only option when the appropriated funds are expended would be to overspend. ADSA chose to request funding for the shortfall in the capital add-on rate appropriation. This is consistent with the agency's goal to promote home and community services.

Budget impacts in future biennia:

Since additional expenditures would continue into subsequent biennia, there is a bow wave effect.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

Department of Social and Health Services

DP Code/Title: M2-WZ Capital Add-On Rate Fndg Correction
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If this proposal isn't funded, then the department would have insufficient funds to pay the capital add-on to all eligible AL contractors.

Expenditure Calculations and Assumptions:

Please see attached spreadsheet - M2-WZ Capital Add-on Rate Funding Correction

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
N	Grants, Benefits & Client Services	0	179,000	179,000
 DSHS Source Code Detail				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	90,000	90,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>90,000</u>	<u>90,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	89,000	89,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>89,000</u>	<u>89,000</u>
Total Overall Funding		<u>0</u>	<u>179,000</u>	<u>179,000</u>

2007 Supplemental M2-WZ Capital Add-on Rate Funding Correction

SA	Facility Name	Licensed Beds	Assisted Living Units	Medicaid Units	Capital Add-On	Available Days	Percentage Medicaid Occupancy
1 King	LEGACY HOUSE	60	10195	10283	\$51,076.95	184	93.14%
2 MC	RAYMOND COURT ASSISTED LIVING	21	3375	3380	\$15,356.25	184	87.47%
3 MC	VAN VISTA ASSISTED LIVING	60	8091	8512	\$36,814.05	184	77.10%
4 MC	ROSEWOOD VILLA LLC	67	8661	9361	\$39,407.55	184	75.93%
5 MC	CASCADE PARK VISTA	112	14428	15640	\$65,647.40	184	75.89%
6 King	PARK PLACE	111	14566	15569	\$72,975.66	184	76.23%
7 MC	CHENOWETH HOUSE	37	4398	4999	\$20,010.90	184	73.43%
8 MC	ALBRIGHT HOUSE	43	5389	5669	\$24,519.95	184	71.65%
9 MC	YAKIMA RETIREMENT CENTER INC	19	2436	2478	\$11,083.80	184	70.88%
10 King	GERMAN RETIREMENT HOME OF THE STATE OF WASHINGTON	48	5982	6245	\$29,969.82	184	70.71%
11 NMC	BEEHIVE RETIREMENT CENTER	48	4214	5949	\$20,395.76	184	67.36%
12 NMC	QUAIL HOLLOW ASSISTED LIVING	16	2154	2184	\$10,425.36	184	74.18%
13 MC	SYDNEY HOUSE	43	5526	5737	\$25,143.30	184	72.51%
14 MC	MERIDIAN HILLS ASSISTED LIVING	93	8268	12371	\$37,619.40	184	72.29%
15 MC	ARBOR RIDGE ASSISTED LIVING PARTNERSHIP	63	8100	8377	\$36,855.00	184	72.27%
16 MC	RIVERVIEW MANOR	60	4545	7769	\$20,679.75	184	70.37%
17 MC	CHARLTON PLACE	105	12979	13487	\$59,054.45	184	69.81%
18 MC	BETHANY AT SILVER CREST	54	6815	6917	\$31,008.25	184	69.62%
19 MC	EVERETT PLAZA RETIREMENT COMMUNITY	92	10484	11285	\$47,702.20	184	66.66%
20 MC	RESIDENCE	66	7288	8019	\$33,160.40	184	66.03%
21 MC	BLOSSOM HOUSE	52	6221	6307	\$28,305.55	184	65.92%
22 NMC	NEW WESTSIDE TERRACE (NWST)	50	5622	6021	\$27,210.48	184	65.45%
23 NMC	CORNERSTONE RESIDENTIAL CARE	15	187	1800	\$905.08	184	65.22%
24 NMC	CRAWFORD HOUSE	40	4725	4746	\$22,869.00	184	64.48%
25 MC	CYPRESS GARDENS RETIREMENT CENTER	65	2260	7657	\$10,283.00	184	64.02%
26 King	RENTON VILLA	85	9582	9948	\$48,005.82	184	63.61%
27 MC	COOPER GEORGE RETIREMENT COMMUNITY	92	10292	10747	\$46,828.60	184	63.49%
28 NMC	THE CAMBRIDGE	30	3463	3481	\$16,760.92	184	63.06%
29 MC	FRANKLIN HOUSE	53	5730	6108	\$26,071.50	184	62.63%
30 NMC	CHEHALIS WEST RETIREMENT CENTER INC	60	6435	6872	\$31,145.40	184	62.25%
31 MC	PARK LIDO ASSISTED LIVING	45	5036	5128	\$22,913.80	184	61.93%
32 MC	EASTHAVEN VILLA	70	6842	7942	\$31,131.10	184	61.66%
33 King	THE CANNON HOUSE	119	10772	14961	\$53,967.72	184	68.33%
34 NMC	KARR HOUSE	44	5476	5476	\$26,503.84	184	67.64%
35 MC	MAPLEWOOD GARDENS	140	17921	17921	\$81,540.55	184	69.57%
36 MC	RICHLAND GARDENS	108	12822	12822	\$58,340.10	184	64.52%
37 MC	GRACE RETIREMENT HOME	12	1632	1632	\$7,425.60	184	73.91%
38 MC	LEXINGTON HOUSE	50	6127	6127	\$27,877.85	184	66.60%
39 NMC	SHARON CARE CENTER ASSISTED LIVING	52	5710	5710	\$27,636.40	184	59.68%
Shaded Facilities above are in the funded 71%+ and are not included in these numbers, rows 1 - 10.			193,014		\$897,370.42		\$0.00
Row # 11, Beehive was included in FY07 budget allocation, but was already receiving the capital add-on rate and should not have been included							
Rows 12, 13, 14, 15, Bolded facilities should have been included in budget allocation, but were not							
Rows 16 through 39 were included in the original FY07 budget allocation							

Original Capital Add-On Allocation Requested	rows 12 - 39	\$897,370.42	2	\$1,794,740.84
Capital Add-On Allocation Received	row 11 plus rows 16 - 39	\$807,500.00	2	\$1,615,000.00
Shortage in allocation				<u>\$179,740.84</u>